



Committee On Finance

Max Baucus, Ranking Member

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Baucus Responds to President Bush's 2005 State of the Union Address

(WASHINGTON, D.C.) U.S. Senator Max Baucus, ranking member of the Senate Finance Committee, issued the following statement after President Bush's State of the Union address:

"The President will face many challenges in the upcoming months in the war in Iraq, protecting America from terrorists attacks, and the nation's economy. I appreciate the President's efforts dealing with these issues. But I am concerned that some of the administration's policies will lead our country in the wrong direction.

The President and I share the common goal of strengthening Social Security for today's recipients and future generations. We also agree that Congress needs to act to encourage more individual retirement savings. I am eager to work together on this issue as well as to find ways to shore up Social Security without drastically cutting benefits and adding trillions to the deficit. I look forward to receiving a detailed Social Security proposal from the President, so we can continue a more concrete discussion on this issue.

Social Security is a lifeline for many of our nation's seniors. A privatization plan like the one in the President's speech tonight would only exacerbate Social Security's financial problems and weaken the program. I believe there are better approaches to strengthen Social Security. There is time to develop a clear, rational plan of action to reinforce Social Security and increase individual retirement savings.

The plan calls for cutting benefits by one-third in some cases and up to half in others, even for those who choose not to risk their money in a privatized account. Cuts on these levels would harm those heavily relying on Social Security benefits to survive.

Tonight the President discussed the importance of fiscal discipline. The Social Security plan presented tonight would make things worse. The cost to create private accounts could add trillions of dollars to an already massive deficit. Borrowing these funds would stifle economic growth, cause interest rates to rise, and put a greater tax burden on our future generations. High deficits also take crucial funds away from other important programs such as law enforcement and education.

Social Security has rescued many from poverty in old age. I look forward to working with the President and my Congressional colleagues to keep Social Security strong. I will work to ensure Social Security honors its promise to those who have worked hard and earned their Social Security benefits."

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